

they elected to serve them at State government. We also extend our sympathies to the family of Chris Sifford.

All of us involved in statewide public office know the dangers of flying across our States for different events. So when a tragedy such as this occurs, it hits especially hard. When I woke up at 6 o'clock this morning to the public radio saying Mel Carnahan and his son were killed, it reminded me how fragile life is and how so often we take life for granted. It also reminded me that each day we live, we should thank God for it and let the people with whom we come in contact know that we love them.

This is a sad day for our country. As I said, Mel Carnahan was truly a great leader and made a great contribution also to the National Governors' Association.

Many Senators knew Governor Carnahan and will be making remarks today and in the next few days.

The PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, I received a phone call early this morning from my personal assistant, Janice Shelton, who indicated to me that Governor Carnahan was dead, having been killed in a tragic plane crash with his son, Randy.

I have watched very closely Governor Carnahan for the last 18 months, as we have watched the most noted Senate race in America this year between two very fine men, Senator ASHCROFT, formerly the Governor of Missouri, and Governor Carnahan. It was a great race to watch because they were so devoted to their different causes. There was distinction between the campaign philosophies. It was a race where the numbers never changed more than a point or two: For 18 months, back and forth, one ahead by a point, the other ahead by a point.

At this time, we realize that those numbers don't mean a great deal, that races in which we are engaged involve good people. Governor Carnahan, what a wonderful man. I got to know him very well, and his wife attended many functions in which I was in attendance. He dedicated his life to public service. The State of Missouri and the country will be less as a result of losing this fine man.

As has been indicated by Governor VOINOVICH, Senator VOINOVICH, our hearts go out to the entire family and the people of Missouri. Also, as Senator VOINOVICH and I were talking before the Senate convened, we have a great amount of sadness for Senator ASHCROFT, who is going through a difficult time now as a result of this, always wondering, having flown around the State himself, as we all have, trying to understand this life that we lead. So not only do I extend my sympathy to the Carnahan family, but also to Governor ASHCROFT, and the fact that in this country we can have people who have strong beliefs, differing beliefs, yet people of great moral certitude who believe very strongly in their causes. That is what makes this country as great as it is.

It is with a great deal of sadness that I came to work today. It is with a great deal of sadness I am with the Dean of the Senate and Senator VOINOVICH who is opening the Senate today. This will have an impact on my life, always, having known him and suddenly his life is snuffed out. I am a better person for having known Governor Carnahan. The people of Missouri are better off as a result of his service. I wish Godspeed to the people of Missouri and the Carnahan family.

Mr. VOINOVICH. Mr. President, I would be remiss if I did not also mention that I was asked by Senator KIT BOND and Senator ASHCROFT to also publicly express their sympathies to the people of Missouri on the death of Mel Carnahan. Both Senator ASHCROFT and Senator BOND served as Governors of the State of Missouri and knew Mel Carnahan quite well. We know there was a campaign going on, and I am sure this is also very heavy on JOHN ASHCROFT.

Mr. DORGAN. Mr. President, I wish to make a comment about the tragic death last evening of Governor Carnahan of Missouri. Governor Carnahan, of course, was also a candidate for the Senate, a Governor of Missouri, Lieutenant Governor, and a distinguished officeholder for many years in the State of Missouri. His tragic death last evening is something that obviously allows all to say to his family, his widow, and the folks who were his friends and relatives, that our thoughts and prayers are with them. It is a difficult time, I know. This is a man who gave so much service to his country and such distinguished service to our country.

My thoughts are with him and his family this morning.

Mr. BAUCUS. Mr. President, I extend my deepest personal sympathies to Mel Carnahan's family. He was tragically killed in a plane crash last night. All Members want to serve our country as well as we possibly can. We go the extra mile to serve our people. We all know the dangers inherent with flying in small aircraft to try to attend political events and try to make meetings on schedules that are very uncertain.

All in the Senate are particularly grieved in this tragedy. We extend our most heartfelt sympathies to the Governor's wife, his family, to his campaign team, and all who were involved. It is difficult to explain how deeply we feel about this.

Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. VOINOVICH). In my capacity as a Senator from the State of Ohio, I ask unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS

The PRESIDING OFFICER. I ask unanimous consent that the Senate

now recess until the hour of 11 a.m., and further that Senator DORGAN be recognized at 11 for up to 30 minutes.

Without objection, it is so ordered.

There being no objection, the Senate, at 10:22 a.m., recessed until 11:03 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ROBERTS).

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, the Senator from Montana, Mr. BAUCUS, wishes to make a presentation on the Agriculture appropriations bill. I intend to make a longer presentation. I ask he be recognized; that following his presentation, I be recognized in the regular order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The distinguished Senator from Montana is recognized.

RETIREMENT SECURITY

Mr. BAUCUS. Mr. President, I rise to urge that Congress enact the Retirement Security and Savings Act, which has passed the House and been reported unanimously by the Senate Finance Committee. This is a balanced, bipartisan bill. It will encourage people to set their own money aside for retirement, by reforming the private pension rules and increasing the amount that people can put in an individual retirement account. It also will create two important new savings incentives. One is a tax credit for small businesses that set up pension programs for their employees. The other is a tax credit for low and middle income people who save for their own retirement. If, before adjourning, we can find a way to enact this bill, it will be a significant addition to the record of the 106th Congress. Let me explain why.

The American people have many wonderful qualities. But, these days, unfortunately, thrift is not one of them. During the last 20 years, personal savings rates have consistently declined, from 9 percent of GDP in the 1970s to less than 1 percent now. In fact, the preliminary net personal savings rate for August is the lowest rate since the Commerce Department began keeping records in 1959. So what? Why does this matter?

In the first place, a low savings rate means that less capital is available for new investments. Perhaps that is not a pressing issue right now, with a booming economy. But it should be. Over

the long run, a low cost of capital is essential to our international competitiveness. On top of that, a low savings rate means that people aren't putting their own money away for retirement. That makes them more dependent on Social Security. In fact, 16 percent of today's retirees depend exclusively on Social Security for their retirement income, and two-thirds depend on it as their primary source of retirement income.

We need to protect Social Security. But that is not enough. After all, Social Security only replaces about 40 percent of the income earned during our working years. If retirees continue to rely so heavily on Social Security, there will still be far too many Americans spending their retirement years one step away from poverty. We need to supplement Social Security, by encouraging more Americans to save for their retirement. And we can start by passing the Retirement Security and Savings Act, as reported by the Senate Finance Committee.

As a threshold matter, the bill does two important things. First, it reforms the tax rules for pension plans. It makes pensions more portable. It strengthens pension security and enforcement. It expands coverage for small businesses. It enhances pension fairness for women. And it encourages retirement education. Second, the bill increases the contribution limits for individual retirement accounts. IRAs have proven to be a very popular way for millions of workers to save for retirement, particularly for those who do not have pension plans available through their employers. The IRA limits have not been increased since they were created almost two decades ago. An increase is long overdue. These are positive changes. However, by and large, they reinforce the conventional approach to retirement incentives. That approach can best be described as a "top down" approach. We create incentives for people with higher incomes, hoping that the so-called non-discrimination rules will give the higher paid folks an incentive to encourage more participation by others, such as through employer matching programs. I do not have a problem with this approach, as far as it goes. But it does not do enough to reach out to middle and lower income workers.

That is why I am particularly pleased that the bill goes further, by creating two new savings incentives. One creates a new incentive to encourage small businesses to establish pension plans for their employees. The other creates a new matching program to help workers save their own money for retirement. Let me discuss each in turn.

First, the incentives for small businesses. Unlike larger companies, most small business owners do not offer pension plans. While three out of every four workers at large companies are participating in some form of pension plan, only one out of every three em-

ployees of small businesses have pensions. This leaves over 30 million workers without a pension plan. It is not that small businesses do not want to provide pension plans. They simply cannot afford to. Record-keeping requirements are too complex and expensive. The bill addresses this, by creating two new tax credits.

The first is a tax credit of up to \$500 to help defray the administrative costs of starting a new plan. The second is a tax credit to help employers contribute to a new plan on behalf of their lower paid employees. In effect, it is a match of amounts employers in small firms put into new retirement plans for their employees—up to a limit of 3 percent of the salaries of these workers. Taken together, these new incentives will make it easier for small businesses to reach out to their employees and provide them with a pension. In addition, the bill creates a new tax credit that is aimed primarily at workers who do not have a pension plan available to them, to encourage them to save for themselves.

Only one-third of families with incomes under \$25,000 are saving for retirement either through a pension plan or in an IRA. This compares with 85 percent of families with incomes over \$50,000 who are saving for retirement. We clearly need to provide an incentive for those families who are not saving right now, and the individual savings credit included in the Finance Committee bill will provide that incentive.

Here is how it works. A couple with a joint income of \$20,000 is eligible for a 50 percent tax credit for the amount that they save each year, for savings of up to \$2,000. People with higher incomes get a smaller match, up to a joint income of \$50,000. According to the Joint Tax Committee, almost 10 million families will be eligible for the individual savings credit. This will provide a strong incentive for these families to begin setting aside money for their retirement. That, in a nutshell, is how the credits work. Let me respond to the common criticisms of the proposal.

One is that the tax credit for low and moderate income workers is not refundable and therefore will not benefit lower income families that have no tax liability. All that I can say, in response, is that I am a realist. I agree that the credit should be refundable. But, this year, a refundable credit is not in the cards, because it generates strong opposition from the majority. Another criticism, from a different direction, is that the credit is targeted to a specific income class, and provides taxpayers in that income class with too much of a benefit. I disagree. This is not a novel approach. Many provisions of the tax code are phased out at higher income levels, as a way of targeting benefits and reducing the revenue loss.

Another thing. By targeting lower and moderate income workers, the credit provides balance. The benefits of

the other provisions of the bill go primarily to higher-paid workers. After all, if we increase the amount that can be deferred in a 401(k) plan more from \$10,000 to \$15,000 a year, we are only benefiting folks who can afford to make that much of a contribution. So a credit targeted to low and moderate income workers provides the overall bill with balance.

In conclusion, I urge the leadership, on the tax-writing committees, in the Senate, in the House, and in the administration, to work together to secure passage of this important legislation. We continue to have a rip-roaring national economy. But many people have been left behind, good people, who are working hard to make ends meet. Let us reach out to them. Let us make an effort to give every working person in this country a real stake in the American dream. Maybe some young worker will see this tax credit and start to put away a little money that he or she otherwise would have spent. That money will compound, and so will the virtue of thrift. And that, Mr. President, will be good for all of us.

The PRESIDING OFFICER. The distinguished Democratic leader is recognized.

MEL CARNAHAN

Mr. DASCHLE. Mr. President, it is with a sad heart that I speak this morning. We now all know that we have lost the Governor of the State of Missouri. Gov. Mel Carnahan was killed in a plane crash last night. Like another man from Missouri, Harry Truman, Mel Carnahan was a man of plain speech and enormous political courage. I believe he would have been a great United States Senator, just as he was a great Governor. His death is a loss to the people of Missouri and to all Americans.

Mel Carnahan spent his life in public service. In this time of skepticism and cynicism about politics and politicians, it is worth noting that Mel Carnahan could have done anything with his life and been a success. His intelligence, his drive, his dedication, his hard work, would have landed him at the top of just about anything he chose to pursue. But Mel Carnahan made a choice early in his life that he would enter public service and that he would use his enormous talents to help people, and that is what he did.

In the State legislature, as State treasurer, as Lieutenant Governor, and during his two terms as Governor, he worked to help people, to make government efficient, and to use the tools at his disposal to make a difference to people's lives.

Whether it was improving public schools, expanding health insurance for children, stricter safety standards for nursing homes to protect seniors, or passing some of the toughest anti-crime measures in the nation to make communities safer, he made a difference.